

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

(1) Kenneth W. Novotny,)	
)	
Plaintiff,)	
)	
v.)	Case No. CIV-18-200-R
)	
(1) Delaware Nation Economic Development)	
Authority, LLC,)	
(2) KNWEBS, Inc. d/b/a Consulting Services,)	
Inc., and)	
(3) Indigenous Technologies, LLC,)	
)	
Defendants.)	

COMPLAINT

For his Complaint against the Defendants, the Delaware Nation Economic Development Authority, LLC (the “DNEDA”), KNWEBS, Inc. d/b/a Consulting Services, Inc. (“CSI”), and Indigenous Technologies, LLC (“IT”), Plaintiff, Kenneth W. Novotny (“Novotny”), alleges and states as follows:

1. Novotny is an individual and citizen of the State of Oklahoma.
2. The DNEDA is a limited liability company organized pursuant to the laws of the Delaware Nation. No member of the DNEDA is a citizen of the State of Oklahoma.
3. CSI is a limited liability company organized pursuant to the laws of the Delaware Nation. No member of CSI is a citizen of the State of Oklahoma.
4. IT is a limited liability company organized pursuant to the laws of the Delaware Nation. No member of IT is a citizen of the State of Oklahoma.

5. This Court has jurisdiction over this matter as there is complete diversity between the parties and there is more than \$75,000 in controversy.

6. On or about October 31, 2014, Novotny, the DNEDA, CSI, and IT executed a Loan and Security Agreement (the “Loan”) pursuant to which Novotny loaned \$48,500,000 to the DNEDA, CSI, and IT and the DNEDA, CSI, and IT granted Novotny a security interest in certain collateral owned by the DNEDA, CSI, and IT.

7. The Loan consisted of two parts: (1) \$45,000,000 the DNEDA borrowed from Novotny to purchase all equity interests in CSI (previously owned by Novotny) from Novotny; and (2) \$3,500,000 the DNEDA, CSI, and IT borrowed from Novotny to use as working capital to operate CSI, IT, and related companies following the DNEDA’s purchase of all equity interests in CSI from Novotny.

8. On or about October 31, 2014, Novotny, the DNEDA, CSI, and IT executed a Promissory Note which, *inter alia*, set forth the DNEDA’s, CSI’s, and IT’s obligations to pay back to Novotny the \$45,000,000 in funds the DNEDA, CSI, and IT borrowed from Novotny, plus interest (the “Note”).

9. Pursuant to the terms of the Note, the DNEDA, CSI, and IT are required to make interest and principal payments to Novotny on the last day of each month from November 30, 2014 until October 31, 2021, at which time all outstanding principal and accrued interest on the Loan is owed.

10. Pursuant to the terms of the Note, the amount of each monthly principal payment the DNEDA, CSI, and IT owe to Novotny is calculated according to a Debt Payment Formula set forth in § 2.8 of the Loan.

11. Pursuant to the Debt Payment Formula set forth in § 2.8 of the Loan, the amount of the principal payments owed to Novotny at the end of each month is equal to the amount the DNEDA, CSI, and IT make in earnings that month – before interest, taxes, depreciation, and amortization (“EBITDA”) – less certain other payments that are to be made each month, including interest owed to Novotny.

12. On February 28, 2018, the DNEDA, CSI, and IT failed to remit to Novotny the full amount of monies owed to Novotny under the terms of the Loan and Note.

13. The DNEDA’s, CSI’s, and IT’s failure to timely make full payment to Novotny on February 28, 2018 constitutes an Event of Default under § 8.1 of the Loan.

14. Pursuant to § 9 of the Loan, this Event of Default entitles Novotny, as the Lender, to exercise certain Rights and Remedies against the DNEDA, CSI, and IT.

15. Novotny’s Rights and Remedies against the DNEDA, CSI, and IT include, but are not limited to, the acceleration of all amounts due and owing to Novotny under the Loan and Note, as well as his ability to take possession and

control over the collateral which secures the Loan and Note – including, but not limited to the equity interests in CSI.

WHEREFORE, Novotny, having set forth his allegations against the DNEDA, CSI, and IT, prays the Court: (a) enter judgment in Novotny's favor in the full amount owed to Novotny under the Note, plus interest: and (b) award to Novotny all relief to which he is entitled including, but not limited to his attorneys' fees and costs.

Respectfully submitted,

/s/ Michael K. Avery

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